

United States Government

Department of Energy

# memorandum

DATE: **FEB - 1 2005**

REPLY TO  
ATTN OF: **FE-471 (Killen)**

SUBJECT: **ANNUAL NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) PLANNING  
SUMMARIES**

TO: **Office of NEPA Policy and Compliance, EH-42**

This memorandum responds to your e-mail dated January 11, 2005, concerning Naval Petroleum Reserve California's (NPRC) Annual NEPA Planning Summary.

NPRC consists of the former NPR-1, and NPR-2.

## **NPR-1**

NPR-1 is an active oil and gas field near Bakersfield, California. The site, which is approximately 100 miles north of Los Angeles, is approximately 47,409 acres. Before February 5, 1998, the field was jointly owned by the Federal Government and Chevron USA Production Company, and operated on behalf of both entities by the Department of Energy. The Government's interest in the field was approximately 78 percent, and Chevron's interest was approximately 22 percent. On February 5, 1998, the Government sold its interest in NPR-1 to Occidental of Elk Hills, Inc., under the terms of a Purchase and Sale Agreement (PSA). Therefore, Occidental and Chevron now own the field, and Occidental is the new operator. The PSA requires DOE to perform certain environmental and cultural resource work at NPR-1 over the next few years. To ensure this work complies with NEPA requirements, an Environmental Assessment covering the work was prepared in September 1999, and DOE issued a Finding of No Significant Impact (FONSI) in December 1999. No activities requiring additional NEPA documentation are anticipated in 2005.

## **NPR-2**

NPR-2 is an active oil and gas field adjacent to NPR-1. The site is approximately 30,181 acres. The Government has no jurisdiction over the approximate 19,735 acres owned by private – mostly oil – companies. DOE administers the remaining Federally owned 10,446 acres for the Government. The Government has leased about 9,224 of its acreage to oil companies for oil and gas development, for which the Government receives approximately \$3 million per year in royalty payments. DOE maintains the remaining 1,222 acres not subject to lease, and oversees lease operations. The Government has also issued approximately 26 permits to third party entities granting

them the right to conduct various industrial activities (e.g., pipeline operations) on leased and unleased land. DOE also oversees third party permit operations.

DOE oversight includes performing and/or supporting lessee/third party compliance with environmental requirements, including NEPA. No activities requiring an Environmental Assessment (EA) or an Environmental Impact Statement (EIS) are anticipated for NPR-2 during the calendar year. However, we do anticipate a number of very small lessee/third party oil and gas development projects (such as well-drilling, facility abandonments, and other maintenance activities) that may require NEPA documentation. It is anticipated these activities will meet Categorical Exclusions criteria. If not, we will notify your office immediately.

If you have questions, please call me at (661) 837-5004.

Sincerely,

A handwritten signature in black ink, appearing to read "J. C. Killen", with a stylized flourish at the end.

James C. Killen  
Director  
Naval Petroleum Reserves  
In California